



SEABOARD COAST LINE RAILROAD COMPANY

Treasury Department

P. O. Box 27581

Richmond, Virginia 23261

LEONARD G. ANDERSON
VICE PRESIDENT AND TREASURER

February 15, 1978

Mr. H. G. Homme, Jr.
Acting Secretary
Interstate Commerce Commission
Washington, D. C. 20423

RECORDATION NO. 9133-4
FEB 21 1978 3 20 PM

INTERSTATE COMMERCE COMMISSION

RECEIVED
FEB 21 3 24 PM '78
CERTIFICATION UNIT

Dear Mr. Homme:

I am enclosing for filing and recordation under the provisions of Section 20c of the Interstate Commerce Act, as amended, counterparts Nos. 1 through 5, inclusive, of a supplemental Lease of Railroad Equipment and an assignment of the right to sublease under such supplemental lease, dated as of December 1, 1977, described in detail below. Such document by its terms provides that each counterpart shall be deemed an original and, accordingly, counterpart No. 2 may be treated as the original and the others as counterparts thereof.

The equipment being subleased was leased by the Lessor under a Lease Agreement filed with the Commission on December 22, 1977, at 10:45 a.m. and assigned Recordation No. 9133.

1. Names and addresses of the parties to the supplemental Lease of Railroad Equipment and sublease

- (a) Lessor - BameriLease, Inc., 555 California Street, San Francisco, California 94104
- (b) Lessee-Sublessor - NAC Leasing Corporation, 222 South Riverside Plaza, Chicago, Illinois 60606
- (c) Sublessee - Seaboard Coast Line Railroad Company, 3600 West Broad Street, Richmond, Virginia 23230

8-052A230

*Counterpart
H. G. Homme, Jr.
2/22/78*

296 372 3
372 4

10-
FEB 21 1978

Mr. H. G. Homme, Jr. - 2

2. Description of the equipment

Identifying marks

"Ownership Subject to a Lease Agreement filed
under the Interstate Commerce Act, Section 20c"

<u>General Description</u>	<u>Type of Equipment</u>	<u>A.A.R.Mech. Design.</u>	<u>Number</u>	<u>SCL Road Numbers</u>
Cement- Phosphate Hopper Cars	77-ton	LO	250	202750-202999, both inclusive
Covered Hopper Cars	100-ton	LO	150	242350-242499, both inclusive

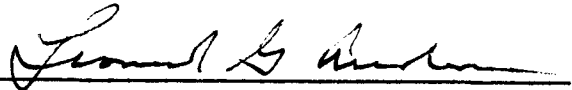
3. Counterparts Nos. 2 through 5 of the above mentioned document should be returned to Mr. Erle J. Zoll, Jr., representing the undersigned, 1000 Connecticut Avenue, N. W., Washington, D. C. 20036.

I am enclosing this company's check in the amount of \$10.00 made payable to the Commission covering the recordation fee for the above mentioned document.

Very truly yours,

SEABOARD COAST LINE RAILROAD COMPANY

By



Leonard G. Anderson
Vice President and Treasurer

Interstate Commerce Commission
Washington, D.C. 20423

2/22/78

OFFICE OF THE SECRETARY

Leonard G. Anderson
Vice Pres. & Treasurer
SeaBoard Coast Line RR.Co
P.O.Box 27581
Richmond, Virginia 23261

Dear Sir:


The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,

49 U.S.C. 20(c), on 2/21/78 at 1:33pm

and assigned recordation number(s)

9133-A

Sincerely yours,


H.G. Homme, Jr.
Acting Secretary

Enclosure(s)



TIGER LEASING GROUP

COUNTERPART NO. 1 OF
5 COUNTERPARTS.

December 16, 1977

RECORDATION NO. 9133-A Filed & Recorded

Seaboard Coast Line Railroad Company
3600 West Broad Street
Richmond, Virginia

FEB 21 1978 8 00 PM

INTERSTATE COMMERCE COMMISSION

Attn: L. G. Anderson
Vice President and Treasurer

Re: BameriLease, Inc. - NAC Leasing Corporation Lease
dated as of December 1, 1977

Gentlemen:

This will confirm that NAC Leasing Corporation, as Lessee under the above Lease, hereby grants to Seaboard Coast Line Railroad Company the right to sublease the Units of Rail Equipment that are subject to such Lease at a fair market value rental and on the terms and conditions, that are listed in Schedule A hereto. We also confirm that we will not amend or change the above-described Lease without your prior consent.

If this meets with your approval, please sign and return the attached copy of this letter.

NAC LEASING CORPORATION

BY

ATTEST:

[Signature]
President
[Signature]
Assistant Secretary

ACCEPTED:

SEABOARD COAST LINE RAILROAD COMPANY

BY

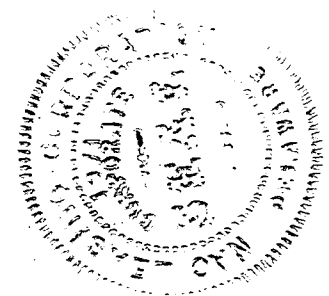
ATTEST:

[Signature]
Vice President and Treasurer
[Signature]
Assistant Secretary

EUGENE H. CREW
PRESIDENT

NAC LEASING CORPORATION

222 SOUTH RIVERSIDE PLAZA • CHICAGO, ILLINOIS 60606 U.S.A. • (312) 648-4141 • TELEX 255119



STATE OF VIRGINIA)
CITY OF RICHMOND) SS

On this 19th day of December, 1977, before me personally appeared Leonard G. Anderson, to me personally known, who being by me duly sworn, says that he is Vice President and Treasurer of Seaboard Coast Line Railroad Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


J. H. Chapman
Notary Public

My commission expires: JUN 4 1978

STATE OF ILL.)
CITY OF CHICAGO) SS

On this 16th day of December, 1977, before me personally appeared EUGENE H. CEAN, to me personally known, who being by me duly sworn, says that he is the President of NAC Leasing Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lery Catalan
Notary Public



SCHEDULE A

Sublease Option

Provided that the Seaboard Coast Line Railroad Company - BameriLease, Inc., Lease dated as of December 1, 1977 ("Seaboard Lease") has not been earlier terminated and Seaboard Coast Line Railroad Company (Sub-Lessee) is not in default thereunder, the Sub-Lessee may by written notice delivered to NAC Leasing Corporation (Sub-Lessor) not prior to the end of the term of the Seaboard Lease with respect to any Unit, as the case may be, (i) elect to sublease any such Unit then covered by the BameriLease-NAC Leasing Corporation Lease dated as of December 1, 1977 ("NAC Lease"), for two (2) year periods commencing on the scheduled expiration of the term of the Seaboard Lease with respect to any such Unit, as the case may be, provided that no such term extend beyond the date which is four (4) years after the expiration date of the term of the Seaboard Lease with respect to any such Unit at a "Fair Rental Value" payable in semi-annual payments in arrears.

Fair Rental Value shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such value. If on or before three (3) months prior to the expiration of the term of the Seaboard Lease with respect to any such Unit, Sub-Lessor and Sub-Lessee are unable to agree upon a determination of the Fair Rental Value of any such

Unit, such value shall be determined in accordance with the foregoing definition by the American Appraisal Company or its successor (hereinafter called the "Appraiser"). The Appraiser shall be instructed to make such determination within a period of fifteen (15) days following appointment, and shall promptly communicate such determination in writing to the Sub-Lessor and the Sub-Lessee. Upon receipt of notice of such determination, the Lessor and Lessee shall have the option within five (5) days to enter or not enter into such extension; however, in the event they elect to enter into the extension, the Appraiser's determination of such Fair Market Rental shall be conclusively binding upon both Lessor and Lessee.

The other terms and conditions of any sub-lease shall be the same as those contained in the Seaboard Lease.

LEASE

THIS LEASE ("Lease") dated as of December 1, 1977, is between BAMERILEASE, INC., a California corporation, with its principal office at 555 California Street, San Francisco, California ("Lessor") and NAC LEASING CORPORATION, a Delaware corporation, with its principal office at 222 South Riverside Plaza, Chicago, Illinois ("Lessee").

Lessor agrees to lease to Lessee and Lessee agrees to hire from Lessor certain personal property (the "Units" and individually a "Unit") described in the Schedule (the "Schedule") attached hereto and made a part hereof, upon the terms and conditions hereinafter set forth:

Section 1. Procurement, Delivery, and Acceptance.

1.1 Lessee agrees to lease from Lessor such Units as shall be delivered to Lessor upon expiration of the Lease Agreement, dated December 1, 1977 ("Seaboard Lease") between Lessor and Seaboard Coast Line Railroad Company; provided, however, that if the Seaboard Lease shall have been terminated by reason of an Event of Default (as defined in the Seaboard Lease) then the Lessor shall not be obligated to lease such Units to Lessee, unless Lessee were to exercise its option (which Lessor hereby grants to Lessee in the event of such termination of the Seaboard Lease) to lease the Units at the same rental rate and on the same terms and conditions in the Seaboard Lease for the period from the date of such termination of the Seaboard Lease until December 1, 1986.

1.2 Lessor shall deliver the Units to the Lessee at such place within the Continental U. S. on the Delivery Date, as herein defined, as designated in Section 9 of the Seaboard Lease.

Lessee shall inspect the Units and if the Units are found to have been maintained in accordance with the Seaboard Lease, the Lease shall execute and deliver to Lessor dated as of the date of said acceptance (herein the "Delivery Date") an Acceptance Supplement in the form attached hereto ("Acceptance Supplement") indicating with respect to each Unit that such Unit (i) has been accepted by Lessee as of the Delivery Date and (ii) has become subject to and governed by all the provisions of this lease.

Section 2. Term, Rent and Payment.

2.1 The term of this Lease as to each Unit shall commence on the Delivery Date in respect thereof and continue as specified in the Schedule.

2.2 The rental for each Unit shall be in the amount set forth in the Schedule and shall be payable at the times set forth in the Schedule.

2.3 Rent and all other sums due Lessor hereunder shall be paid at the principal office of Lessor set forth above.

2.4 This Lease is a net lease and Lessee shall not be entitled to any abatement or reduction of rent or any setoff against rent, whether arising by reason of any past, present or future claims of any nature by Lessee against Lessor or otherwise. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of Lessor or Lessee be otherwise affected by reason of any defect in, damage to, loss of possession or use or destruction of any of the Units however caused, by the attachment of any lien, encumbrance, security interest or other right or claim of any third party to any Unit, by any prohibition or restriction of or interference with Lessee's use of the Unit by any person or entity, or by the insolvency of or the commencement by or against Lessee of any bankruptcy, reorganization or similar proceeding, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. It is the

intention of the parties that all rent and other amounts payable by Lessee hereunder shall be payable in all events in the manner and at the times herein provided unless Lessee's obligations in respect thereof have been terminated pursuant to the express provisions of this Lease.

Section 3. Warranties.

3.1 LESSEE ACKNOWLEDGES AND AGREES (a) THAT LESSOR HAS NOT SELECTED THE DESIGN, SIZE, CAPACITY OR MANUFACTURER OF ANY UNIT (b) THAT LESSEE IS SATISFIED THAT THE SAME IS SUITABLE FOR ITS PURPOSES, (c) THAT LESSOR IS NOT A MANUFACTURER THEREOF NOR A DEALER IN PROPERTY OF SUCH KIND, and (d) THAT LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION OR WARRANTY OR COVENANT WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DESCRIPTION, DURABILITY OR SUITABILITY OF ANY SUCH UNIT IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE. Lessor hereby assigns to Lessee, to the extent assignable, any warranties, covenants and representations to which it may be entitled / with respect to any Unit, provided that any action taken by Lessee by reason thereof shall be at the sole expense of Lessee and shall be consistent with Lessee's obligations pursuant to Section 2 hereunder.

Section 4. Possession, Use and Maintenance.

4.1 Lessee shall not use, operate, maintain or store any Unit improperly or carelessly and Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its

operations involving the Units may extend, with the Interchange Rules of the Association of American Railroads ("AAR") and with all lawful rules of the Department of Transportation, Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Unit, Lessee will conform therewith at its own expense; provided, however, that Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of Lessor, adversely affect the property or rights of Lessor under this Lease. Lessor and Lessee each hereby acknowledge that certain Units while subject to this Lease may not be interchangeable under Section 3 of Rule 90 of the AAR Interchange Rules as published in 1977.

As long as Lessee shall not be in default under this Lease, Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease. Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance upon or with respect to any Unit, including

any accession thereto, or the interest of Lessor or Lessee therein, and will promptly discharge any such lien, claim, security interest or encumbrance which arises.

As long as Lessee shall not be in default under this Lease, the Lessee shall be entitled to sublease the Units. Lessee shall not assign or permit the assignment of any Unit to service involving the regular operation and maintenance thereof outside the location specified in the Schedule.

4.2 Lessee shall at its sole expense at all times during the term of this Lease maintain the Units in good operating order, repair, condition and appearance.

4.3 Lessee shall not alter any Unit or affix or install any accessory, equipment or device on any Unit, if such alteration or addition will impair the originally intended function or use or reduce the value of any such Unit unless required to do so by a duly authorized governmental or regulatory agency. All repairs, parts, supplies, accessories, equipment and devices furnished, affixed, or installed to or on any Unit shall thereupon become the property of Lessor except that, if no Event of Default has occurred and is continuing, Lessee may remove at its expense any such accessories, equipment and devices at the expiration of the term with respect to such Unit, provided that such removal will not impair the originally intended function or use of such Unit and such accessory equipment or device will thereupon become the property of the Lessee.

4.4 Lessee will cause each Unit to be kept numbered with the identifying number set forth in the Acceptance Supplement applicable thereto, and keep and maintain, permanently, distinctly, and conspicuously marked on each side of each Unit in letters not less than one inch in height the words "Ownership subject to a Lease Agreement filed under the Interstate Commerce Act, Section 20C" or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect Lessor's title to and property in such Unit and the rights of Lessor under this Lease. Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such legend shall have been so marked on both sides thereof and will replace promptly any such legend which may be removed, defaced or destroyed. Lessee will not change the identifying number of any Unit unless and until a statement of new number or numbers to be substituted therefor shall have been filed with the Lessor and filed, recorded and deposited by Lessee in all public offices where this Lease shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Units may be lettered with the names or initials or other insignia customarily used by Lessee or its sublessees.

4.5 Upon prior notice to Lessee, Lessor shall have the right at all times convenient to the Lessee to enter upon the properties of the Lessee to inspect any Unit and observe its use at Lessor's expense.

Section 5. Taxes

5.1 All payments to be made by Lessee hereunder will be free of expense to Lessor with respect to the amount of any local, state or federal taxes (other than any federal, state or local net income taxes or franchise taxes measured by net income based on such receipts, except any such tax which is in substitution for or relieves Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties, together with any interest payable with respect thereto being hereinafter

called "Impositions") hereafter levied or imposed upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which Impositions Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. Lessee will also pay promptly all Impositions which may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all Impositions which might in any way affect the title of Lessor or result in a lien upon any such Unit; provided, however, that the Lessee shall be under no obligation to pay any Impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of Lessor, adversely affect the title, property or rights of Lessor hereunder. If any Impositions shall have been charged or levied against Lessor directly and paid by Lessor, Lessee shall reimburse Lessor on presentation of an invoice therefor.

5.2 In the event any reports with respect to Impositions are required to be made, Lessee shall make such reports in such manner as shall be/satisfactory to Lessor.

Section 6. Risk of Loss; Waiver and Indemnity.

6.1 In the event that any Unit shall be or become worn out, lost, stolen, destroyed, or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (any such occurrence being hereinafter called a "Casualty Occurrence") during the term of this Lease, Lessee shall promptly and fully notify Lessor with respect thereto. On the rental payment date next succeeding such notice Lessee shall pay to Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as defined in the Schedule) of such Unit as of the date of such payment as set forth in the Schedule. Upon the making of such payment by Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of loss, theft or complete destruction) Lessor shall be if it so elects at its expense. entitled to recover possession of such Unit/ Provided that Lessor has received the Casualty Value for any Unit, Lessee

shall be entitled to the proceeds of any recovery in respect of such Unit from insurance or otherwise to the extent that they do not exceed the Casualty Value of such Unit, and any excess shall be retained by Lessor.

Except as hereinabove in this Section 6.1 provided, Lessee shall not be released from its obligations hereunder from and after the Delivery Date with respect to such Unit until Lessee shall have fulfilled all of its obligations hereunder and Lessee shall bear the risk of any Casualty Occurrence to any Unit from and after the Delivery Date with respect to such Unit until such Unit has been redelivered to Lessor pursuant to Section 9 hereof.

6.2 Lessee hereby waives and releases any claim now or hereafter existing against Lessor on account of, and agrees to indemnify, reimburse and hold Lessor harmless from, any and all claims (including, but not limited to, claims relating to patent infringement and claims based upon strict liability in tort), losses, liabilities, demands, suits, judgments or causes of action, and all legal proceedings, and any costs or expenses in connection therewith, including attorneys' fees and expenses which may result from or arise in any manner out of the condition, use or operation of any Unit during the term hereof, or which may be attributable to any defect in any Unit, arising from the material or any article used therein or from the design, testing or use thereof, or from any maintenance, service, repair, overhaul or testing

of any Unit regardless of when such defect shall be discovered, whether or not such Unit is in the possession of Lessee and no matter where it is located.

Section 7. Insurance.

Lessee at its own cost and expense, shall keep the Units insured against all risks for the value of such Units and in no event for less than the Casualty Value of such Units as specified in the Schedule, and shall maintain public liability and property damage insurance against such risks and for such amounts customarily insured against by Lessee or North American Car Corporation in respect of similar equipment owned by it. All such insurance, shall name Lessor and Lessee as insureds and shall provide that such insurance may not be cancelled as to Lessor or altered without at least ten days prior written notice to Lessor. Lessee shall deliver to Lessor on or before the Delivery Date of each Unit evidence satisfactory to Lessor of all such insurance.

Section 8. Default.

8.1 If, during the term of this Lease, one or more of the following events ("Events of Default") shall occur:

(a) Default shall be made by Lessee in the making of any payments to Lessor when due hereunder and such default shall continue for a period of ten days after receipt of written notice thereof to the Lessee;

(b) Any representation or warranty of Lessee contained herein or in any document furnished to Lessor in connection herewith shall be ^{known to be} untrue or incorrect in any material respect when made;

(c) Default shall be made in the observance or performance of any of the other covenants, conditions, agreements or warranties made by Lessee hereunder and such default shall continue for thirty days after written notice thereof to Lessee;

(d) Lessee shall commit any affirmative act of insolvency, or file any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors; or

(e) Any involuntary petition shall be filed under any bankruptcy statute against Lessee,

or any receiver or trustee shall be appointed to take possession of the properties of Lessee, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty days from the date of said filing or appointment;

then, in any such case, Lessor, at its option may:

(aa) proceed by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(bb) by notice in writing to Lessee terminate this Lease, whereupon all rights of Lessee to the use of the Units shall absolutely cease and terminate, but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may by its agents enter upon the premises of Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold the same free from any right of Lessee, its successors or assigns, but Lessor shall, nevertheless, have a right to recover from

Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from Lessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, which represents the excess of (x) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (y) the then present value of the rentals which Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case by discounting at a rate equal to the then judgment rate of interest fixed under the law of the State of California, compounded

at the same frequency as rentals are paid hereunder, from the respective dates upon which rentals would have been payable hereunder had the Lease not been terminated, and (ii) any damages and expenses in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty contained in this Lease other than for the payment of rental.

8.2 In the event of any action at law or suit in equity in relation to this Lease, Lessee in addition to all other sums which Lessee may be required to pay, will, if Lessor prevails in such action or suit, pay to Lessor a reasonable sum for its attorneys' fees and all other costs and expenses of such action or suit.

8.3 The remedies hereunder provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity.

Section 9. Return of Units.

On or prior to the expiration of the term of this Lease or of any renewal term (hereinafter collectively "Expiration Date") or as soon as practicable on or after such Expiration Date and in any event not later than sixty (60) days after such Expiration Date the Lessee will, at its own cost and expense, at the request of the Lessor cause each Unit to be transported to such point or points on any lines of railroad or premises/as shall be reasonably designated by the Lessor immediately prior to such Expiration Date and arrange for the Lessor to store such Unit at such point or points for a period not exceeding sixty (60) days from the Expiration Date; the assembly, delivery, storage and transporting of such Unit to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable except in the case of negligence or intentional act of the Lessee or of its employees or agents and, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf

of the Lessor or any prospective purchaser or Lessee, the rights of inspection granted under this sentence. The assembly, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, delivery, storage and transporting of the Units. Each Unit returned to the Lessor pursuant to this Section 9 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, having at all times been maintained in accordance with Section 4 hereof, (ii) have attached or affixed thereto any part title to which is in the Lessor pursuant to Section 4 and have removed therefrom at Lessee's expense any part title to which is in the Lessee or any other person pursuant to Section 4 and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads (excepting only that the Units need not meet Section 3 of Rule 90 of the AAR Interchange Rules as published in 1977), if applicable. If any Unit suffers a Casualty Occurrence during any storage period provided

for in this Section 9, the Lessee shall pay to the Lessor the Casualty Value of such Unit as determined in accordance with Section 6 hereof. The Lessee shall pay rental at the rate of .014583% per day of the Purchase Price of any Unit not returned to the Lessor in accordance with this Section 9.

Section 10. Assignment.

All or any of the right, title or interest of Lessor in and to this Lease, and the rights, benefits and advantages of Lessor hereunder, including the rights to receive payment of rental or any other payment hereunder, and title to the Units, may be assigned or transferred by Lessor at any time. Any such assignment or transfer shall be subject and subordinate to the terms and provisions of this Lease and the rights and interests of Lessee hereunder. No assignment of this Lease or any right or obligation hereunder whatsoever may be made by Lessee or any assignee of Lessee without the prior written consent of Lessor.

Section 11. Further Assurances.

Lessee will, at its expense, do and perform any other act and will execute, acknowledge, deliver, file,

register and record any further instruments which Lessor may reasonably request in order to protect Lessor's title to the Units, this Lease, and the rights and benefits thereof. This Lease and the Acceptance Supplement shall be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act prior to the Delivery Date of any Unit hereunder to which such documents relate.

Section 12. Late Payments.

Lessee shall pay to Lessor, on demand, interest at the rate of ten (10) percent per annum on the amount of any payment not made when due hereunder from the ^{due} date thereof until payment is made.

Section 13. Effect of Waiver.

No delay or omission to exercise any right, power or remedy accruing to Lessor upon any breach or default of Lessee hereunder shall impair any such right, power or remedy nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter

occurring. Any waiver, permit, consent or approval of any kind or character on the part of Lessor of any breach or default under this Lease must be in writing specifically set forth.

Section 14. Survival of Covenants.

All covenants of Lessee under Section 1, 2, 4, 5, 6, 8, 9 and 12 shall survive the expiration or termination of this Lease to the extent required for their full observance and performance.

Section 15. Lessee's Right of First Refusal

15.1 Unless an Event of Default, or any event or condition which, upon notice or lapse of time, would constitute an Event of Default, shall have occurred and be continuing Lessor shall not, at any time after the end of the Lease term, sell, transfer or otherwise dispose of any Unit unless:

(a) Lessor shall have received from a responsible purchaser a bona fide offer in writing to purchase such Unit, which offer is acceptable to Lessor;

(b) Lessor shall have given Lessee notice (i) setting forth in detail the identity

of such purchaser, the proposed purchase price and the proposed date of purchase, and (ii) offering to sell the Unit to Lessee upon the same terms and conditions as those set forth in such notice; and

(c) Lessee, shall not have notified Lessor, within 20 days following receipt of such notice, of its election to purchase the Unit upon such terms and conditions as those set forth in such notice;

If Lessee shall not have so elected to purchase the Unit, Lessor may sell the Unit at a price and upon other terms and conditions no less favorable to Lessor than those specified in Lessor's notice to Lessee.

15.2 Any sale of a Unit or Units by Lessor to Lessee pursuant to this Section 15 shall be for cash and shall take place within sixty (60) days of the date upon which Lessor accepts Lessee's offer to purchase the Unit or Units. Such sale shall be made without recourse to or warranty of Lessor.

Section 16. Applicable Law; Effect and Modification of Lease.

16.1 This Lease shall be governed by, and construed under the laws of the State of California; provided, however,

that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

16.2 This Lease exclusively and completely states the rights of Lessor and Lessee with respect to the leasing of the Units and supersedes all prior agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing.

Section 17. Financial Information and Reports.

Lessee shall keep its books and records in accordance with generally accepted accounting principles and practices consistently applied and shall deliver to Lessor its quarterly and annual audited financial statements, the annual report to stockholders of Tiger International, Inc. certified by a firm of independent public accountants, and such other unaudited financial statements as may be reasonably requested by Lessor.

Lessee shall deliver to Lessor on or prior to March 31 of each year of the Lease term an annual report as to the physical condition of the Units as of the preceding December 31.

Section 18. Notices.

All demands, notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to a telegraph office, charges prepaid, addressed as follows:

To Lessor:

BAMERILEASE, INC.
P. O. Box 37070
San Francisco, California 94137
Attention: Documents Supervisor

To Lessee:

NAC LEASING CORPORATION
222 South Riverside Plaza
Chicago, Illinois 60606

or at such other address as may hereafter be furnished in writing by either party to the other.

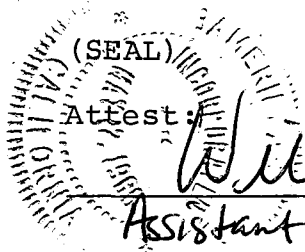
Section 19. Counterparts.

Five counterparts of this Lease have been executed by the parties hereto, each of which so executed shall be deemed to be an original and such counterparts together shall contribute but one and same instrument. One counterpart has been prominently marked "Lessor's Copy". One counterpart has been prominently marked "Lessee's Copy".

Section 20. Recording, Expenses

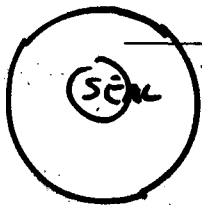
Lessee, at its own expense, will cause this Lease to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20C of the Interstate Commerce Act prior to the delivery and acceptance of any Unit hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.



(SEAL)

Attest:



Assistant Secretary

BAMERILEASE, INC.

BY

BY

NAC LEASING CORPORATION

BY

BY

STATE OF VIRGINIA)
CITY OF RICHMOND) SS

On this 19th day of December, 1977, before me personally appeared TOM R. BRANDENBURGER, to me personally known, who being by me duly sworn, says that he is Vice President and manager of BAMERALEASE, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

C W Whitehurst
Notary Public

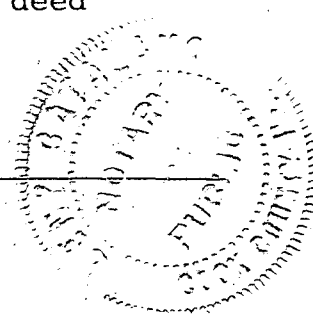
My commission expires: Apr. 30, 1979

STATE OF ILLINOIS) SS
COUNTY OF COOK)

On this 16th day of December, 1977, before me personally appeared EUGENE H. CRUW, to me personally known, who being by me duly sworn, says that he is the of NAC LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lery Catalano
Notary Public

My commission expires: 4/30/79



SCHEDULE

Section 1. Description of Units and Maximum Purchase Price.

<u>Description</u>	<u>Estimated Unit Cost</u>
250 - 77 ton reconstructed cement-phosphate covered hopper cars.	\$2,700,000
150 - 100 ton reconstructed cement-phosphate covered hopper cars.	1,695,000
Total Estimated Purchase Price	<u>\$ 4,395,000</u>

Section 2. Term.

The lease term for each Unit shall be forty-eight (48) months commencing on the Delivery Date.

Section 3. Rental.

The rental for each Unit shall be paid in eight (8) consecutive semi-annual instalments commencing six (6) months following Delivery Date. Each semi-annual rental for each Unit shall be in an amount equal to 2.625% of the Purchase Price in respect thereto.

Section 4. Availability Date.

November 30, 1986

Section 5. Location.

Continental United States or Canada

Section 6. Casualty Value and Termination Value.

and Termination Value
The Casualty Value of each Unit as of each rental payment date in respect thereto shall be that percentage of the Purchase Price of such Unit as is set forth below opposite the number of rental payments in respect of such Unit which would have become due to and including such date.

<u>Rental Payment No.</u>	<u>Percentage</u>
1	35.10%
2	33.36%
3	31.47%
4	29.45%
5	27.29%
6	25.00%
7	22.57%
8	20.00%

SECTION 7. Tax Indemnification.

7.1 This Lease has been entered into upon the assumption that:

(a) the Lease will constitute a true lease for federal income tax purposes.

(b) the Lessor shall be entitled to such deductions, credits and other tax benefits as are provided by federal, state and local law to an owner of property ("Tax Benefits") including, without limitation:

(i) The investment credit allowed by Section 38 and related sections of the Internal Revenue Code of 1954, as amended ("Code") in a amount equal to 10% of the reconstructed portion of the Purchase Price of the Units ("Reconstruction Cost");

(ii) The deduction for depreciation on the Units under various sections of the Code based upon (A) depreciation by Lessor over useful life of 12 years (as provided by the lower limit for assets includable in Asset Guideline Class 00.25 as published in Rev. Proc. 77-10) (B) Salvage value equal to 10% of the Purchase Price of the Units (after reduction as provided for in Section 167(f) of the Code),

(C) utilization of the double declining balance method of depreciation switching to sum of the years digits method when most beneficial to the Lessor using an original basis equal to the Reconstruction Cost, and (D) utilization of the 150% declining balance method of depreciation switching to straight line for the nonreconstructed portion of the Purchase Price.

(c) The applicability throughout the term of this Lease of a federal income tax rate equal to the maximum statutory rate applicable to corporations on the signing date of this Lease and a California Franchise tax rate (or any other applicable California tax based on net income) equal to the maximum statutory rate applicable to corporations on the signing date of this Lease.

7.2 If Lessor shall lose, shall not have or shall lose the right to claim, or if there shall be disallowed or recaptured with respect to Lessor, as the result of any act of omission of the Lessee, all or any portion of the Tax Benefits as are provided for in Section 7.1 of this Section 7 ("Loss"), then on the next succeeding rental payment date after written notice to Lessee by Lessor that a Loss has occurred, or if there is no such date, thirty (30) days following such a notice, Lessee shall pay Lessor an amount which, in the reasonable opinion of Lessor, and after deduction of all taxes

required to be paid by Lessor with respect to receipt of such amount, will preserve anticipated net after-tax yield and periodic after-tax cash flow over the term of the Lease in respect of such Unit that would have been available to Lessor if Lessor had been entitled to the utilization of all the Tax Benefits.

For purposes of this Section 7.2, whenever it may be necessary to compute the amount of an indemnity payment with respect to a Loss of Tax Benefits for any purposes, such computation shall be made on the assumption that Lessor could have fully utilized such tax benefit and that the receipt by Lessor of any such indemnity payment will be subject to Federal and state taxes at a combined effective rate equal to that specified at Section 7.1(c) of this Section 7 subject to the limitations found at Section 7.3(gg). In the event that more than one Loss of Tax Benefits shall occur each such Loss of Tax Benefits shall be treated separately and separate computations of the indemnity payment to be made with respect thereto shall be made as provided in this Section 7.

7.3 For purposes of this Section 7, a Loss shall occur upon the earliest of (a) the happening of any event (such as disposition or change in use of any Unit) which may cause such Loss, (b) the payment by Lessor to the Internal Revenue Service of the tax increase resulting from such Loss or (c) the adjustment of the tax return of Lessor to reflect such Loss. Lessor shall not be entitled to payment under this Section 7 on account of any Loss due solely to one or more of the following events: (aa) a disqualifying disposition due to a transfer or sale of the Unit by Lessor prior to any default by

Lessee that has occurred and is continuing, (bb) a failure of Lessor to claim timely or properly the Tax Benefits for the Unit in the tax return of Lessor (cc) a disqualifying change in the nature of Lessor's business or liquidation thereof, (dd) a foreclosure by any person holding through Lessor of a lien on the Unit, which foreclosure results solely from an act of Lessor, (ee) any event which by the terms of this Lease requires payment by the Lessee of the Casualty Value is thereafter actually paid by Lessee, (ff) the failure of Lessor to have sufficient taxable income or tax liability to utilize such Tax Benefits, or (gg) any change or modification in the tax law after December 1, 1978.

7.4 If a Loss of Tax Benefits occurs due to receipt by Lessor of a written notification from a Federal or State taxing authority of a proposed disallowance or adjustment for which an amount may be payable by Lessee in accordance with this Section 7 (hereafter called a "Disallowance"), Lessor shall promptly notify Lessee a said Disallowance after receipt of such written notification from the applicable taxing authority (which notice to Lessee shall include all relevant information relating to such Disallowance which may be particularly within the knowledge of Lessor).

Lessor shall be under no obligation whatsoever to contest such Disallowance unless:

(i) Lessee requests Lessor to contest such Disallowance within ten days after Lessor has so notified Lessee and within thirty days thereafter independent tax counsel selected by Lessee ("Independent Tax Counsel") renders a written opinion satisfactory to Lessor, that there is a reasonable basis to contest such Disallowance; and

(ii) Lessee agrees to pay on demand all reasonable expenses, including, without limitation, the fees and disbursements of such Independent Tax Counsel, Lessor's counsel, accountants, and investigators, paid or incurred by the Lessor in connection with contesting such claim.

The Lessor, at its sole option, may choose to forego any and all administrative appeals, proceedings, hearing and conferences with the relevant Taxing Authority in respect of such Disallowance, but shall use its best efforts to contest the Disallowance in a court of competent jurisdiction selected by it at its sole option.

At all stages of any contest of a Disallowance, Lessor shall conduct the contest by any proceedings available under applicable law, regulation or court rules which, in its sole discretion, it determines to pursue, and shall determine in its sole and exclusive discretion whether (A) to petition for a redetermination of the deficiency proposed to be assessed by the taxing authority as a result of the Disallowance or (B)

to pay deficiency and institute an action in a court of competent jurisdiction for a refund of taxes paid.

If after actual receipt by Lessee of an amount paid by Lessee and attributable to a Loss of Tax Benefits, the extent of such Loss of Tax Benefits shall be established by the final judgment or decree of a court or administrative agency having jurisdiction thereof or a settlement with the consent of Lessee, within 30 days, Lessor shall pay to Lessee all or the portion of the amount received by Lessor and paid by Lessee with respect to such Loss of Tax Benefits which Lessor did not incur because of such final judgment or compromise. Notwithstanding the foregoing, Lessor shall not be required to make any payment hereunder so long as an Event of Default (or an event which with the passage of time or notice or both would constitute an Event of Default) shall have occurred and be continuing.

7.5 All of the Lessor's rights and privileges arising from the indemnities contained in this Section 7 shall survive the expiration or other termination of this Lease.

7.6 For purposes of this Section 7, the term "Lessor" shall include any affiliated group (within the meaning of Section 1504 of the Code) of which Lessor is a member for any year in which a consolidated income tax return is filed for such affiliated group.

Section 8. Renewal Option.

Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not more than six (6) months and not less than three (3) months prior to the end of the original term or any extended term of this Lease with respect to any Unit, as the case may be, (i) elect to extend the term of this Lease in respect of any of such Unit then covered by this Lease, for additional two (2) year periods commencing on the scheduled expiration of the original term or any extended term of this Lease with respect to any such Unit, as the case may be, provided that no such extended term extends beyond the date which is four (4) years after the expiration date of the original term of this Lease with respect to any such Unit at a "Fair Rental Value" payable in semi-annual payments in arrears.

Fair Rental Value shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease and, in such determination, costs of removal from the location of current use shall not be a

deduction from such value. If on or before three (3) months prior to the expiration of the term of this Lease with respect to any such Unit, Lessor and Lessee are unable to agree upon a determination of the Fair Rental Value of any such Unit, such value shall be determined in accordance with the foregoing definition by the American Appraisal Company or its successor (hereinafter called the "Appraiser"). The Appraiser shall be instructed to make such determination within a period of fifteen (15) days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both Lessor and Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee.

Section 9. Early Termination.

Provided that the Lease has not been earlier terminated and the Lessee is not in default thereunder, Lessee shall have the right at its option, during the initial term on at least sixty (60) days' prior written notice to Lessor, to terminate the Lease with respect to any or all of the Units subject to the Lease on a day or days when a rental payment in respect of each such Unit is due (hereinafter for purposes of this paragraph called with respect to each such Unit the ("Termination Date")), specified in such notice, provided that Lessee shall

have made a good faith determination that the Units are obsolete or surplus to Lessee's requirements. During the period from the giving of such notice until the Termination Date, Lessee as agent for Lessor shall use its best efforts to obtain bids for the purchase of such obsolete or surplus Unit described in such notice. Lessee shall certify to Lessor in writing the amount and terms of each bid received by Lessee and the name and address of the party (who shall not be Lessee or any person, firm or corporation affiliated or a shareholder of Lessee) submitting such bid. On each such Termination Date, Lessor shall, without recourse or warranty, sell such Unit for cash to the bidder who shall have submitted the highest bid prior to such date. The total sale price realized at such sale shall be retained by Lessor and, in addition, on each such Termination Date, Lessee shall pay to Lessor the excess, if any, of the Termination Value, as defined below, for the Unit computed as of such date, over the sale price of the Unit sold by Lessor after all expenses incurred by Lessor in connection with such sale. The Termination Value with respect to any Unit as of each rental payment date in respect thereto shall be that percentage of the Purchase Price of such Unit as is set forth below opposite the relevant date. If no sale shall have occurred on or as of the Termination Date, the Lease shall continue in full force and effect as to the Unit; provided, however, that

Lessee may subsequently terminate, or attempt to terminate, the Lease in respect of any Unit pursuant to this paragraph during the remaining term. In the event of any such sale and upon compliance by Lessee with the provisions of this paragraph, the obligation of Lessee to pay rent hereunder with respect to such Unit after the Termination Date shall cease and the term for such Unit shall end on the Termination Date..

ACCEPTANCE SUPPLEMENT

Reference is made to the Lease Agreement dated as of December 1, 1977 between BameriLease, Inc. as Lessor, and NAC Leasing Corporation, as Lessee.

The terms used herein shall have the same meaning as such terms have in such Lease Agreement.

The undersigned certifies that the following Units have been accepted by Lessee for leasing under the Lease, that such Units have become subject to and governed by the provisions of the Lease, and that Lessee is obligated to pay the rentals and all other sums provided for in the Lease with respect to such Units.

<u>Description of Units</u>	<u>Identifying Number</u>	<u>Purchase Price</u>
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Total Purchase Price

\$

The Delivery Date in respect of such Units is

IN WITNESS WHEREOF, the undersigned has executed this Acceptance Supplement as of the Delivery Date set forth above.

NAC LEASING CORPORATION

BY _____

BY